Incentive Scheme for States to Minimise the T&D Losses

3522. SHRI JANARDHANA POOJARY : Will the Minister of POWER be pleased to state :

(a) whether it is a fact that the financial condition of the State Electricity Boards are in a precarious position with total transmission and distribution (T&D) losses accounting for Rs. 30,000 crores annually;

(b) if so, the measures initiated by Government to mitigate the situation;

(c) whether it is a fact that the Centre proposes to launch an incentive scheme to help States to minimize the T&D losses; and

(d) if so, the details of the scheme and the States which have so far qualified for the incentive?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) Yes Sir.

(b) To improve the financial viability of the State Electricity Boards (SEBs)/Utilities the Central Government have launched the Accelerated Power Development and Reforms Programme (APDRP). The Programme has two components, namely, investment component and incentive component. Under investment component, the Central Government provides assistance to the tune of 50% (by way of loan and matching grant) of the project cost for the upgradation and modernization of distribution system in high density load centres like towns and industrial centres in non special category states and 100% assistance (by way of 90% grant and 10% loan) in case of special category states.

(c) Yes, Sir.

(d) Under incentive component of the Programme, the States are given grant for actual cash loss reduction by the SEBs/Utilities in the ratio of 1:2 i.e. for every Rs. 2 cash loss reduction, Rs. 1 is given as grant. During the financial year 2002-03, three States viz. Maharashtra, Gujarat and Haryana have shown cash loss reduction to the tune of Rs. 579.74 crore, Rs. 1072.29 crore and Rs. [illegible] crore respectively and have become eligible for incentive of Rs. 289.87 crore, Rs. 536.245 crore and Rs. 5.01 crore respectively. An interim release of incentive to these States amounting to Rs. 137.89 crore, Rs. 236.37 crore and Rs. 5.01 crore respectivley has been made on March 31, 2003.